

## Message Text

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PAGE 01 LIBREV 00705 240831Z

ACTION AF-10

INFO OCT-01 EB-08 ISO-00 OPIC-03 COME-00 L-03 SS-15  
/040 W

-----116725 240850Z /14

P R 240730Z MAR 78

FM AMEMBASSY LIBREVILLE

TO SECSTATE WASHDC PRIORITY 768

INFO AMEMBASSY ANTANANARIVO

AMEMBASSY DAKAR

AMEMBASSY NAIROBI

C O N F I D E N T I A L LIBREVILLE 705

E.O. 11652: GDS

TAGS: EINV, EIND, GB

SUBJ: GABOREN

REF:(A) 77 LIBREVILLE 1174 (B) 77 LIBREVILLE 2921

1. SUMMARY: EMBASSY HAS RECEIVED DIPLOMATIC NOT FROM FOREIGN MINISTRY CONCERNING ACTIVITIES OF US COMPANY N-REN CORPORATION, PARTNER IN PORT GENTIL GABOREN CHEMICAL FERTILIZER FACTORY. NOTE DETAILS LONG HISTORY OF PROJECT WHICH HAS NOT BEEN CARRIED OUT ACCORDING TO CONTRACT AND REQUESTS THAT USG UNDERTAKE NECESSARY INQUIRY AND COMPEL N-REN TO MAKE SATISFACTORY SETTLEMENT: END SUMMARY.

2. LATE IN AFTERNOON MARCH 20, EMBASSY RECEIVED DIPLOMATIC NOTE FROM FOREIGN MINISTRY CONCERNING GABOREN CHEMICAL FERTILIZER FACTORY IN PORT GENTIL, WHICH HAS 35 PERCENT PARTICIPATION BY N-REN CORPORATION OF CINCINNATI AND WHICH IS PART OF PID (DIVERSIFIED INVESTMENT PROGRAM); OTHER PARTNERS IN PROJECT ARE GOG AND ELF-GABON. NOTE CONTAINS REFERENCE TO MARCH 29, 1977, LETTER FROM PRESIDENT BONGO, WHO ORDERED HALT TO PROJECT IN ORDER TO ACCOMPLISH SATISFACTORY SOLUTION, YET AS OF THIS DATE  
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NONE HAS BEEN ACHIEVED. GOG REQUESTS THAT USG UNDERTAKE INQUIRY AND COMPEL N-REN TO MAKE SETTLEMENT IN ORDER TO AVOID PREJUDICING REPUTATION OF US COMPANIES IN GABON AND ELSEWHERE IN AFRICA. INFORMAL TRANSLATION OF NOTE CABLED SEPTEL; FRENCH TEXT POUCHED AF/C MARCUS MARCH 23, REGISTRY NUMBER 1374244.

3. AS DEPARTMENT WILL NOTE FROM PREVIOUS HISTORY AND FILES, GABOREN PROJECT HAS BEEN PLAGUED WITH DIFFICULTIES. EMBASSY UNDERSTANDS THAT ELF-GABON HAS BEEN LESS THAN WILLING PARTNER AND BY SOME ACCOUNTES HAD DELIBERATELY POSED OBSTACLES IN PATH OF SUCCESSFUL COMPLETION OF PROJECT.

R. FOREIGN MINISTRY NOTE IS FIRST WORD THAT EMBASSY HAS HAD OF HIGHEST LEVEL GOG CONCERN ABOUT STATUS OF PROJECT. TO OUR KNOWLEDGE PROBLEMS HAD NEVER BEEN MENTIONED BEFORE, EVEN INFORMALLY, BY ANY GOG OFFICIAL TO ANY MEMBER OF EMBASSY STAFF.

5. RESIDENT US BUSINESSMEN WITH REGULAR AND CLOSE CONTACT WITH PRESIDENT BONGO TOLD ECONOFF THAT MATTER HAD NEVER BEEN MENTIONED TO HIM BUT THAT HE HAD BEEN TOLD BY TITULAR DIRECTOR GENERAL OF GABOREN THAT IN DECEMBER 1977 HE HAD SUGGESTED TO PRESIDENT BONGO THAT PROJECT BE HALTED. ECONOMIC VIABILITY OF PROJECT COULD NO LONGER BE GUARENTEED BECUASE OF FALL IN WORLD PRICE OF CHEMICAL FERTILIZERS. FURTHER COMPLICATION IS THAT GABOREN APPARENTLY OWES SUBSTANTIAL AMOUNTS OF MONEY TO LOCAL CONTRACTORS, ONE OF WHICH IS SOCOPA, FOR WORK ALREADY PERFORMED. THIS FACTORY MAY EXPLAIN TIMING OF DEMARCHE BECAUSE SOCOPA IS ONE OF SOME TWENTY-FIVE COMPANIES TO WHICH GOG OWES MONEY FOR OAU  
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WORK AND WHICH FIGURE IN INTERNAL DEBT SETTLEMENT ARRANGEMENTS AS SET OUT IN LAZARD FRERES STUDY ON GABON'S DEBT SITUATION AND CREDIT WORTHINESS.

6. EMBASSY'S FILE ON GABOREN CONTAINS COPY OF APPLICATION FOR OPIC COVERAGE YET PRINT-OUT PREPARED ON DECEMBER 31, 1977, CONTAINS ONLY REFERENCE THAT APPLICATION STILL PENDING, REFERENCE NUMBER 678-75-177. OF ADDITIONAL INTEREST IS FEBRUARY 28 EDITION OF EDIAFRIC SELECTION, GENERAL COMMERCIAL/ECONOMIC NEWSLETTER PUBLISHED BY PARIS FIRN. WHICH CONTAINS BRIEF REFERENCE TO GABOREN STATING THAT FIRM HAS JUST BEEN PLACED IN LIQUIDATION.

7. EMBASSY HAS ACKNOWLEDGED RECEIPT OF NOTE AND REQUESTED COPY OF MARCH 29, 1977, LETTER FROM PRESIDENT BONGO. THIS IS FIRST WORD WE HAVE OF SUCH A LETTER, AND IT IS CURIOUS THAT NO REPEAT NO REFERENCE TO IT WAS MADE IN MAY 1977 OR NOVEMBER 1977 WHEN ECONOFF VISITED GABOREN SITE IN PORT GENTIL AND SPOKE TO RESIDENT MANAGER. SEE REFS A AND B.

8. FOR NAIROBI, DAKAR, AND ANTANANARIVO: DO YOU HAVE ANY INFORMATION ON N-REN'S ACTIVITIES WHICH COULD SHED SOME LIGHT ON SITUATION HERE, PARTICULARLY WHETHER N-REN PROJECTS ARE PROCEEDING ON SCHEDULE.

9. ACTION REQUESTED: EMBASSY WOULD APPRECIATE DEPARTMENT'S CONTACTING CINCINNATI OFFICES OF N-REN TO ASCERTAIN WHETHER IT HAS RECEIVED OR HEARD OF MARCH 29, 1977, LETTER AND WHAT PLANS N-REN HAS FOR PROJECT IN GABON. GUIDANCE ON SUBSTANCE OF ANY FURTHER REPLY OR APPROACH TO GOG WOULD ALSO BE APPRECIATED AS WELL AS CURRENT STATUS GABON PROJECT VIS A VIS OPIC. YATES

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
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